

Clark County Board of Commissioners Work Session

Commercial Tenant Improvements

August 20, 2003
9:00 AM

1. Introduction and Relationship to Express Permitting (Rich Carson)
2. Problems (Marlia Jenkins)
3. Action Plan (Marlia Jenkins)
 - a. Refine the Building\Fire\Planning Process
 - b. Improve the Information System
 - c. Trigger Fewer Site Plan Reviews
4. Discussion

Commercial Tenant Improvements

June 17, 2003

Introduction

One of the objectives of the Express Permitting Program is to reduce barriers to the expansion and relocation of small business. One regulatory area that seems to concern small business is tenant improvements.

Typical of most development reviews, tenant improvements occur at the intersection of several regulatory functions. The Customer Service Division assists the customer at the counter and conducts preliminary screenings. The Building Division and Fire Marshal review the building plans and implications on the health and safety of the building. The Health Department is involved if the change involves food preparation. The Development Services Division is involved if a change in use or a change to the structure is significant enough to trigger a new site plan review. For cases with site plan review, the Public Works concurrency staff may become involved. The Engineering staff of DCD may also become involved.

Finding ways to improve the tenant improvement process, therefore, requires the cooperation of many divisions within DCD and several county departments.

As clarification, this discussion does not include home occupations. Home occupancies, by definition, occur in residential dwellings. This investigation is focused on structures used primarily for commercial activity.

Overview of Current Process

An applicant applies for a tenant improvement via a building permit application. Currently, a planner in Customer Service reviews almost all TI applications to determine whether or not a site plan review is required. Generally, if the improvement is entirely internal to the building and does not trigger increased parking or an increase in average daily traffic, the application does not need site plan review and proceeds directly to a review by both building and fire plans examiners.

A project that has a change in use that triggers a specified increased traffic or parking, or a project that has an external improvement that adds more than a specified amount of square feet triggers a site plan review. If a site plan Type 1 is generated, the review is complete in 21 days. If the site plan Type 2 is triggered, the application goes into a 78 day site plan process. Projects with site plan review are also reviewed for concurrency. These projects also receive review by building and fire plans examiners.

Concurrent with submission to DCD, an applicant with a food service use submits plans to the Health District for a kitchen review. The Health Department issues an approval letter to the applicant.

Current Cycle Time

Between January 1 and June 16, 2003, the Department completed 36 tenant improvements reviews. On average, reviews took 22 calendar days from the time the application was received to the time the applicant came into the office and was issued a building permit.

The 22 calendar day average includes weekends. Holds are subtracted. It includes the days needed to route plans, notify customers and days required for the customer to pick up building permits. In most cases, customers pick up building permits the same day they are notified that the review is complete. There are a few cases, however, when customers do not come in for a building permit for several days, which increases the overall average for the process.

Staff also researched the number of tenant improvements subject to site plan review. Since 2000, there have been approximately six projects needing both a tenant improvement and a site plan review.

Observations

A total calendar day review for TI's without site plans of 22 days is a reasonable amount of time for review. It could be shortened however. Efforts could be made to make the 22 or fewer days reliable.

TI with a Type 1 Site Plan Review requires a 21 day planning period as well as the TI review. In most cases, these are nested so the total time is less than 42 days but no performance measure has been set. This issue could be investigated and a timeline target set.

Sometimes projects are required to have a Type 1 Review when the planning investigation is very minimal. They need review, however, to assure that adequate parking is available and impact fees are levied. The additional expense of a Type 1 Review (\$2,000) may not be warranted, even if the timeline is not a problem.

Customer complaints come when applicants must engage in both a TI and a site plan review. Some of the complaints come because two processes and additional expense are not anticipated.

Many customers avoid the TI process entirely, operating without permits. There is no way to track change in use, which puts a burden on staff and subsequent applicants when later tenants ask for permits. Health and safety issues also result.

Conclusions

While, overall, the system appears to work well, there are opportunities to reduce timelines and complications in the tenant improvement process. The opportunities are listed below. Based on these opportunities, staff created an action plan for improving the tenant improvement system.

Opportunities and Action Plan

Items designated with an asterisk(*) were selected for the action plan.

Within the Building\Fire TI Process

- a) Develop a process whereby the planner does not have to look at all TI applications to determine whether or not a site plan review is required.**
- b) Develop a check-off list so building plans examiners can tell which plans really need fire plan review and which ones could skip the review. **
- c) Improve routing so routing is done concurrently, not sequentially. **
- d) Reallocate commercial plans examiners time to speed the review.
- e) Automate addressing so it occurs more quickly.

Develop an Information System to Speed Reviews

- a) Require the applicant to submit more information on the commercial structure as a whole, to speed the review. Applicants could be required to submit a diagram with all the uses and the square foot of each use, the type and name of each use, and the total number of parking spaces. Currently staff must make site visits or research files to determine this information.**
- b) Develop an information system that allows the county to keep information on commercial centers so it is easier to recall information and establish a baseline for uses and parking and ADT in a structure. This might be a way to decrease the number of site plan reviews and provide a benefit to building owners and leasing agents.**
- c) Separate between information the county wants for record keeping and inspection records from information needed for plan review.**
- d) Consider a renewable certificate of occupancy that will allow tracking of occupancy changes.**
- e) Develop a process that allows the first tenants in a new building shell to receive a modified, streamlined TI, subject to participation in an information system that documents the initial uses and parking in the structure.
- f) Develop an amnesty program that lets commercial owners submit information without code violation penalty so the county can build a data base.

Trigger Fewer Site Plan Reviews

- a) **Change the interpretation of the code regarding parking to trigger fewer site plan reviews.**COMPLETE**
- b) Consider creating a subset of Type 1 for projects that require parking calculation and TIF administration, but little other plan review. Charge a lesser fee for these.**
- c) Consider nesting the Type 1 and building TI reviews so they don't take a full 40 days and set a performance timeline.**
- d) Consider charging TIF in the first occupation of a building and exempting all other TIF charges.
- e) Develop a new system for concurrency review that allows more of a checklist approach. This might vary from corridor to corridor depending on the available capacity.
- f) Decrease the site plan review thresholds in the ordinance.
- g) Do an extensive revision to change in use as a basis for triggering site plan review associated with TI. Perhaps use only changes in food service or changes to and from uses that generate hazardous material as triggers.
- h) Consider revising the uses that are exempt, Type 1 or Type 2.